

## ANALYSIS OF PERSON-ORGANIZATION FIT AND PERSON-ORGANIZATION MISFIT IN ERNST & YOUNG INDONESIA

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### ABSTRACT

Person-Organization Fit, commonly described as the resemblance of person's values and organization values, is one of the crucial factors in determining the success of an organization. Employees who are fit in the organization may enthusiastically engage to their job and will have great performance. On the other hand, Person-Organization misfit is one of the reasons why employees quit their job. Exploratory case study methods were used to analyze both variables in this research. The data were collected by interview. Sample of this research is consisted of 8 employees of Ernst & Young Indonesia. Result indicates that there are 3 factors of Person-Organization fit in Ernst & Young Indonesia. The 3 factors of Person-Organization fit that make employees willing to stay in the company are benefits, co-workers, and time flexibility. This research found 4 factors of Person-Organization misfit that are the mismatch between organization's value and individual's value, lack of promotion opportunity, small salary, and imbalance type of given job.

**Keywords:** *person-organization fit, person-organization misfit*

### INTRODUCTION

#### Research Background

Human Resources Management plays a crucial role in developing employee skills, knowledge and abilities in their organizational performance. Success of any organization not only depends on the technical resources of the organization, but also the capabilities and qualities of the employees which are required by the organization to fulfill the standard of future human resources needs. Organization is a system that is formed to withstand its' own shortcoming by the individuals. The individuals, in organization, know how to reach their individual goals, and how to put themselves to fit in the organization. The biggest challenge of a company is to recruit, maintain, and to develop the workers. They can only face this challenge by ensuring the harmony of organizational value and individual value.

While the concept on fits as a positive point for the company, misfit has been fairly abandoned. Company became unaware of the reasons why the workers do not feel comfortable, or why the workers quit their job. An organization that has great performance will have fewer misfits. On the other hand, in most cases individual behavior can ruined the great performances of organization either direct or indirectly.

The concept of fit and particularly misfit is fundamental in organizational design. The organizational necessities of such as benefits, environment, and promotion opportunity are some of the important issues of fit among employees. The most important notes to ensure that human resources can support the company's performances not only keen on the compatibility of the individuals and the job offered, but company also has to consider about the compatibility of individual's value and organization's value (Person-Organization Fit). Person-Organization fit most likely results to boosts up employee's commitment and the outcomes that can turn out to a continuous excellence of the company.

An organizational misfit is when the organization performs less than it could due to the incompatibility. More misfits will further diminish the performance of the organization. If they perceive that they do not fit, individuals will consider whether they were willing to adapt to the new situation. If they are unwilling to adapt, misfits will appraise whether they can find alternative jobs and, if so, they will exit the organization.

Ernst & Young (EY) is one of the largest professional service firms in the world and one of the "Big Four" accounting firms and also the most globally managed big four firms. EY had built up advisory arm heavily in the 1980s and 1990s. Ernst and Young Indonesia have over 1,900 employees in Jakarta. Ernst & Young Indonesia has affiliated with Purwantono, Suherman, Surja (PSS) and Purwantono, Suherman, Surja Consult (PSSC). Their main clients are Pertamina, Bank Negara Indonesia, Bank Rakyat Indonesia, PT Krakatau Steel & Group, Coca-Cola Bottling Indonesia, and Indosat. Ernst & Young Indonesia have four main service lines which are: Assurance services, Tax services, Advisory services, and Transaction Advisory Services (TAS).

As a global company, works in Ernst & Young become very remarkable for some people especially for auditors. That is why knowledge about person-organization fit and misfit is very crucial, so that the company management will understand the perceived value of job seeker, and also for company to reflect why employee should experience misfit. Work in such a big company like Ernst & Young Indonesia, it's not easy in terms of decision-making. A stiff organizational structure certainly raised a lot of bureaucracies, that sometimes different with employees' personal value. The compatibility between individuals' skills and their job-given is very crucial in determining their satisfaction of an organization, especially for fresh graduates, they are not looking for big salary, but a great experience to sharpen their skills. In their first time working, they will be adjusting whether the job-given matches their interest and skills or not, and it will determine how long they will stay in the organization.

### Research Objective

The objective of this research is to examine Person-Organizational Fit & Person-Organization Misfit in Ernst & Young Indonesia.

## THEORITICAL FRAMEWORK

### Theories

#### Person-Organization Fit

Person-Organization Fit always has been a very interesting topic among researchers. In simple words P-O fit is defined as measure of fit among workers and the organizations (Silverthorne, 2004:529). In a broader view, P-O fit is defined as matching between distinctive characteristics of the employee and the organization in which that employee is working. P-O fit is a construct that has multiple conceptualizations (Westerman & Cyr, 2004b). Chatman (1989:12) defined person-organization (P-O) fit as the congruence between the norms and values of organizations and the values of persons. Chatman found that the change of P-O fit explains a significant amount of variance in employee job satisfaction. Moreover, P-O fit is evaluated by matching the personality of the individual worker with his or her organization (Cable & Judge, 1996:546). P-O fit is the compatibility of characteristics of the individual and that of organization (Chan, 1996:25).

Schneider, Goldstein, & Smith (1995) attraction – selection – attrition (ASA) theory suggests that people are attracted to organizations that have similar values to their own; they are selected into those organizations; and, if and when there is poor fit, they leave. Thus, PO-Fit is based on the suitability of one another in the workplace that they worked with. Cable & Judge (1996:294), found 9 factors to measure person-organization fit. Which are:

1) *Organizational value*

The Organizational Culture Profile (O'Reilly et al., 1991) was used in the current study because it was developed expressly to assess P-O fit and has been advocated as a method to investigate P-O fit in organizational entry contexts (Chatman, 1991:194).

2) *Employees value*

An important aspect of both individuals and organizations that can be compared directly and meaningfully is values (Barley et al, 1988:24; Meglino et al 1989; O'Reilly et al., 1991). Values are enduring beliefs that specific mode of conduct or end-state is preferable to its opposite, thereby guiding individuals' attitudes, judgments, and behaviors (Cable & Judge, 1996).

- 3) Attractiveness of job attributes  
Jurgensen, 1978; Turban et al 1993; stated some specific job attributes included location, promotion opportunity, pay levels, benefits, company image, co-workers, security, supervisors, and type of work.
- 4) Demographic Characteristics  
The important component of person-organization fit is demographic similarity (Ferris & Judge, 1991; Jackson et al 1991). Individuals who are demographically similar to other organizational member (in terms of age, gender, race, socioeconomic status, etc) appear to enjoy important benefits that less likely to receive (Pfeffer, 1983:299).
- 5) Perceived job opportunities  
When predicting employees' fit perception, their perceived job opportunities were included because job seekers with more job options presumably can choose better fitting organization (Chatman, 1991:59).
- 6) Organizational Commitment  
Bateman and Strasser (1984) state that organizational commitment has been operationally defined as multidimensional in nature, involving an employee's loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership.
- 7) Job Satisfaction  
Job satisfaction is a positive feeling about a job resulting from an evaluation of its characteristics (Robbins & Judge, 2011, 114). Future job satisfaction, through self-selection based on fit (Bowen et al, 1991:35; Schneider, 1987; Wanous, 1980:59).
- 8) Intent to leave  
Employees sharing the values of their organizations are more committed to their organizations, are more satisfied with their jobs, and are less likely to quit (Bretz & Judge, 1993; Chatman, 1991:43; Meglino et al 1989:424; O'Reilly et al., 1991:491).
- 9) Willingness to recommend organization  
Recommendations of organizations are very vital, where organizations' reputation is based on how they are described by existing or former employees. Research indicates that a large percentage of new job applicants come from acquaintances of existing employees, and that referred applicants often demonstrate the best performance and lowest turnover after being hired (Wanous & Colella, 1989; Ullman, 1966).

### **Person-Organization Misfit**

In terms of deeper-level individual differences, misfit may occur due to personal style (Lovelace & Rosen, 1996:703) and personal values (Robert & Wasti, 2002:544), and work skills (Lovelace & Rosen, 1996:709). Looking at organization factors, structural factors that relate to the organization of work may result in misfit, and include policies and job demands (Lovelace & Rosen, 1996:713). For individual factors, demographic variables of race, gender, and age are commonly investigated, especially in the relational demography literature (Ellis & Tsui, 2007:287), with socio-economic status and tenure also providing relatively salient initial bases for assessing similarity with colleagues (Elfenbein & O'Reilly, 2007:109; Sacco & Schmitt, 2005:203).

## **RESEARCH METHOD**

### **Type of Research**

This research uses exploratory case study method. Yin (2003) defined exploratory method as the type of case study that is used to explore the situations in which the intervention being evaluated has no clear, single set outcomes.

### **Place and Time of Research**

Research was conducted in Manado from July to September 2013 and provides information of Person-Organization Fit and Misfit. Last informant had been interviewed in the second week of September.

### **Instrument and Sample of the Research**

In conducting qualitative research, the main instrument is the researcher itself with additional supportive instruments for the interview process such as recorder, writing tools, diary book. The population of this research



is Ernst & Young Indonesia employees while the samples are 8 people with different department and different group.

### Data Collection Method

There are two types of data that are collected in this research which are primary data and secondary data. As quoted from Sekaran and Bougie (2009:219) Primary data are data gathered for research from the actual site of occurrences of events. Secondary data is data gathered through such existing resources (Sekaran and Bougie 2009:223).

### Data Analysis Method

Miles and Huberman (1994) in Savenye and Robinson (2001:237) states that there are three concurrent flows of activity: data reduction, data display, and conclusion drawing/verification. Data reduction is a process where the researcher have to sharpen and classify the data that have been collected and dispose the unnecessary data to get useful and important data for the research. Right after the data is reduced, the data will be arranged and displayed in order to draw the final conclusion of the research. Conclusion drawing process has been started since the data collection process on the field and continued afterwards.

## RESULT AND DISCUSSION

### Result

- 1) Benefit  
The benefits company offered is medical insurance and parking. The company provides medical insurance for both single and married employees. Specifically for married employees, the medical insurance covers up all of the family members. Benefit is one of the most important things employees have to consider as one of their reason to stay. EY gave an appropriate medical insurance for single employees and for each member of a family of those who are married. Almost all organizations offer medical insurance, but based on workers experiences, EY offers the best medical insurance of all the companies they had been working at.
- 2) Co-workers  
As all of the respondents stated that the co-workers in Ernst & Young Indonesia are very friendly, helpful, and kind. However, interpersonal relationship in the workplace is an early verdict whether they can fit in or not.
- 3) Time Flexibility  
Employees will give more when company asks nothing but commitment. Employees are happy to work in such a place with no pressure yet they still working on giving their best to follow company's policy and regulation.
- 4) Organization Value  
Organization's value is factor that researcher thinks is the main role of everything. If the company doesn't embed values to employees, they would never understand and try to work for the company, not only for themselves and for money. If the employees understand the organization's value, they will immediately feel attached to the company and feel belong there, but when they realized there's nothing there to cherish, they will only work for their own sake.
- 5) Promotion Opportunity  
The second factor is Promotion Opportunity. It takes a long way to get promoted because a lot of workers did not know the company's standard of promotion.
- 6) Salary  
The most common issue among employees is the standard salary level given by company, which most of the respondents thinks still too low.
- 7) Appropriate type of job  
Employees will stick in the place where they can work according to their skills and their experiences. Most of respondents stated that they were being placed in the position that are not their best interest, and that is one of the reason they do not feel comfortable in their current job.

## Discussion

All questions are designed to measure both Person-Organization Fit and Misfit. Some answers are literally the same through each different experiences, perspectives, and thoughts. Most of the respondents stated that benefit is one of the most important things employees have to consider as one of their reason to stay. EY gave an appropriate medical insurance for single employees and for each member of a family of those who are married. Almost all organizations offer medical insurance, but based on workers experiences, EY offers the best medical insurance of all the companies they had been working at. Co-worker is another factor. However, early interactions can simply indicate of how well the employees can fit in the organization. Time flexibility in EY is something that the employees consider as an important reason to stay. The employees think it is reverence from the company to all the co-workers and they worked so hard to keep it on the right way and never misuse the privilege.

The interview results implies that there are some misfits the employees have shares, but having a misfit does not mean that the company is disreputable, misfits is the factor that can make organization grows better. Since Ernst & Young is a professional service firm, having a great performance inside of the company is important before serve the clients. Organization's value is factor that researcher thinks is the main role of everything. If the company doesn't embed values to employees, they would never understand and try to work for the company, not only for themselves and for money. Promotion Opportunity is the second yet important element in supervising the labor. If the employees were working their best and there was such no concern from the company of their career development, they can leave anytime to find better recognition. Salary is kind of a vital factor, most of the respondents said that the salary EY offered is quite few, compared to other companies. But then when talked about money, no human race will ever get to the satisfied level. To employees from middle-low socio-economic level, the salary is quite satisfying, but for middle-high economic level, the current salary EY offered is still too low to cover their daily needs. Appropriate type of job is another factor of misfits. Majority of respondents stated that their given job now is either tedious, useless, or not their best interest and skills. Employees need job that is challenging, job that is useful for the development of their career, job that is sharpen their skills, not only a routine job that everyone can do.

## CONCLUSION AND RECOMMENDATION

### Conclusion

The three factors that affect Person-Organization Fit are benefit, co-worker, and time flexibility. The four factors that affect Person-Organization Misfit are organization value, promotion opportunity, salary, and appropriate type of job.

### Recommendation

For future research to examine another company in different job market to enrich the knowledge of Person-Organization Fit and Misfit from various job market. Also for recruiters and company's management so they know the basic need of their employees in order for them to feel fit in the organization. Before accepting applications, recruiters should make sure that the applicants that they will hire have the same interests and skills with the company's open recruitment. So the recruiters will look on to the applications not only from the university they graduated but also from experiences.

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